

Testimony of the American Council of Life Insurers  
Before the Insurance and Real Estate Committee  
Tuesday, March 13, 2012

Senate Bill 411 - An Act Concerning the Insurance Holding Company System Regulatory Act

Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee, the American Council of Life Insurers (ACLI) appreciates the opportunity to offer the following comments on Senate Bill 411 - An Act Concerning the Insurance Holding Company System Regulatory Act.

The legislation before you today is based upon the National Association of Insurance Commissioners' ("NAIC") Holding Company System Model Act. The Holding Company System Model Act is part of a broad plan to update and enhance the current framework under which insurance groups are supervised. These supervisory changes are being made through a number of interrelated projects being undertaken by a diverse group of regulators.

The Holding Company System Model Act revision process was a collaborative effort between regulators and industry with much give and take between regulators and the regulated industry. We appreciate the work that the Connecticut Insurance Department contributed to the development of the Model. The result is the legislation before you, which significantly updates the Insurance Holding Company Systems statutes in Connecticut.

Work continues at the NAIC on projects that are closely tied to new enterprise risk reporting requirements in the Act and new Form F in the Annual Registration Statement, in particular the NAIC's U.S. Own Risk and Solvency Assessment proposal and related group capital assessment proposal.

Because the new enterprise risk report required in the revised law must be submitted to a lead state, the requirement must go into effect consistently in each state where an insurer operates. Thus we request that the reporting requirements in Section 6(f) (lines 686-713) become effective July 1, 2013, to ensure that consistent reporting requirements and consistent and comprehensive confidentiality protections of the new model law are in place before enactment. Both are critical concerns of ACLI. We have asked for and received similar effective dates in the other states in which the Holding Company Model has passed.

We are continuing to review the changes from the Model which occurred in the drafting process and look forward to working with you to address these and other concerns with the legislation.

Thank you for considering our position on Senate Bill 411 regarding revisions to the holding company system statutes. Please contact John Larkin at 860-430-5928 or Kate Kiernan at 202-624-2463 or [katekiernan@acll.com](mailto:katekiernan@acll.com) with questions.

*ACLI is a national trade association with more than 300 legal reserve life insurer and fraternal benefit society member companies operating in the United States. ACLI members represent more than 90 percent of the assets and premiums of the life insurance and annuity industry. There are 237 ACLI member companies licensed to do business in Connecticut, accounting for 91 percent of the ordinary life insurance in force in the state.*